

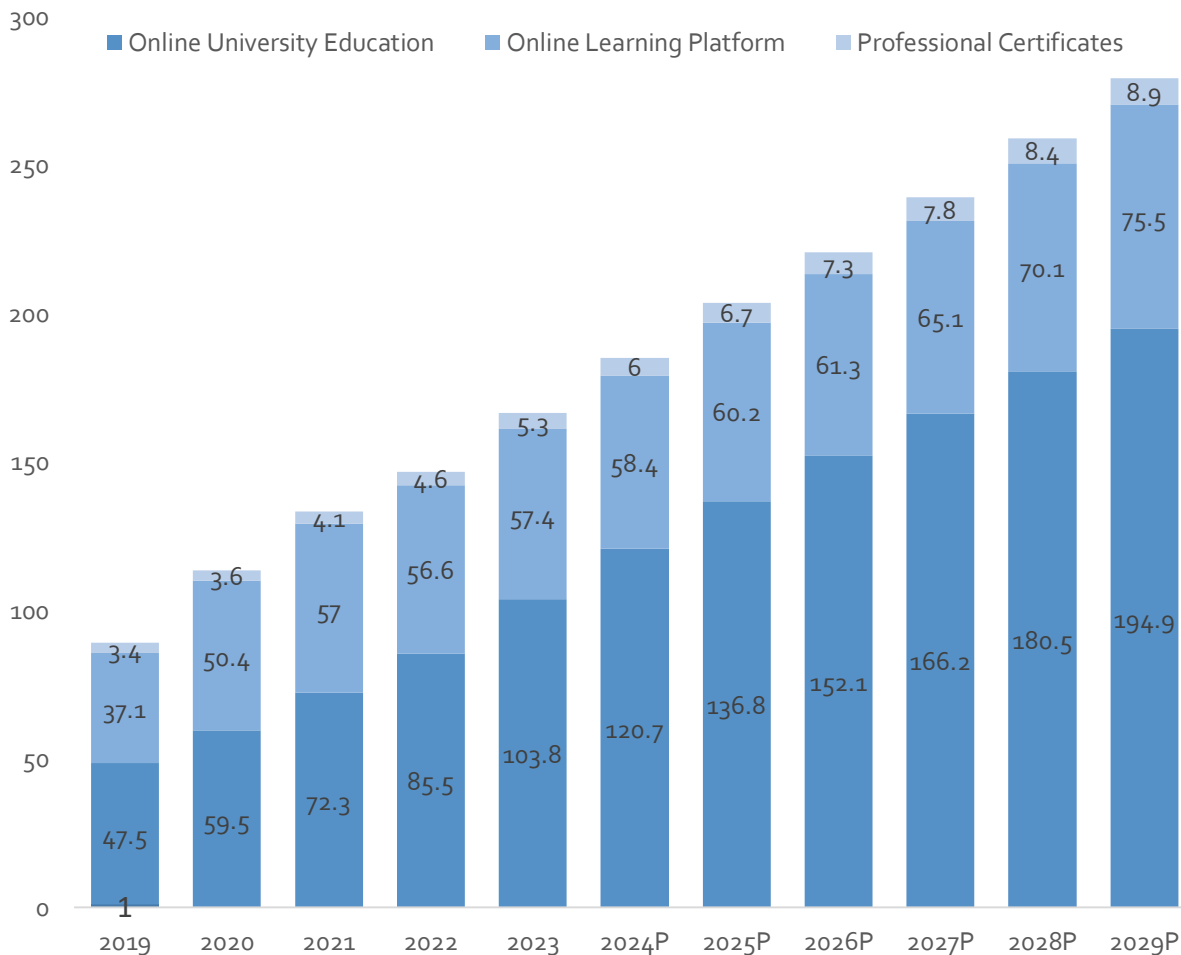
# Ed-Tech Industry

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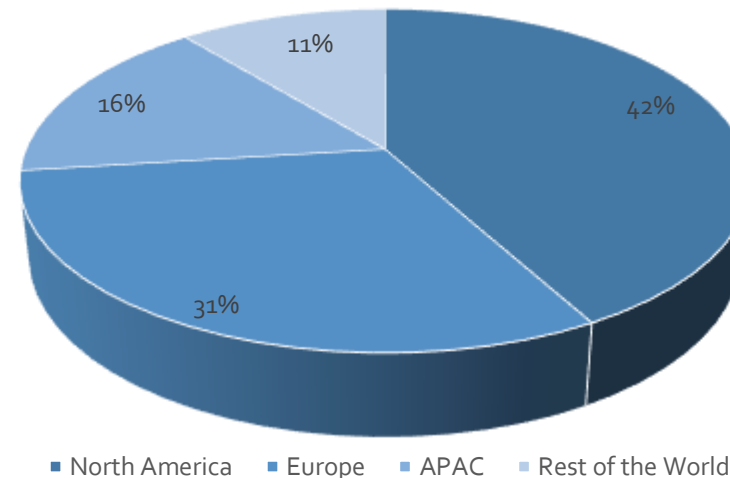
## Industry Overview

**Covid-19 increased demand for EdTech products which caused a movement in education towards online courses and 89% of students agree that adaptive learning technology is best**

Revenue in the online education market(in \$ billion )



Ed-tech and Smart Classroom market share by region,2022



### Top Ed-tech Tools

#### Wakelet

Without knowing how to code, organize the resources looked through online in one location and a platform for students to communicate and exchange ideas

#### Google Workspace

Raise the level of student engagement by producing graphic elements at no cost and creates presents, slides & more with all the apps present in the robust suite

#### Splashlearn

With no time bound activities, it may adjust to the learning speed of the students

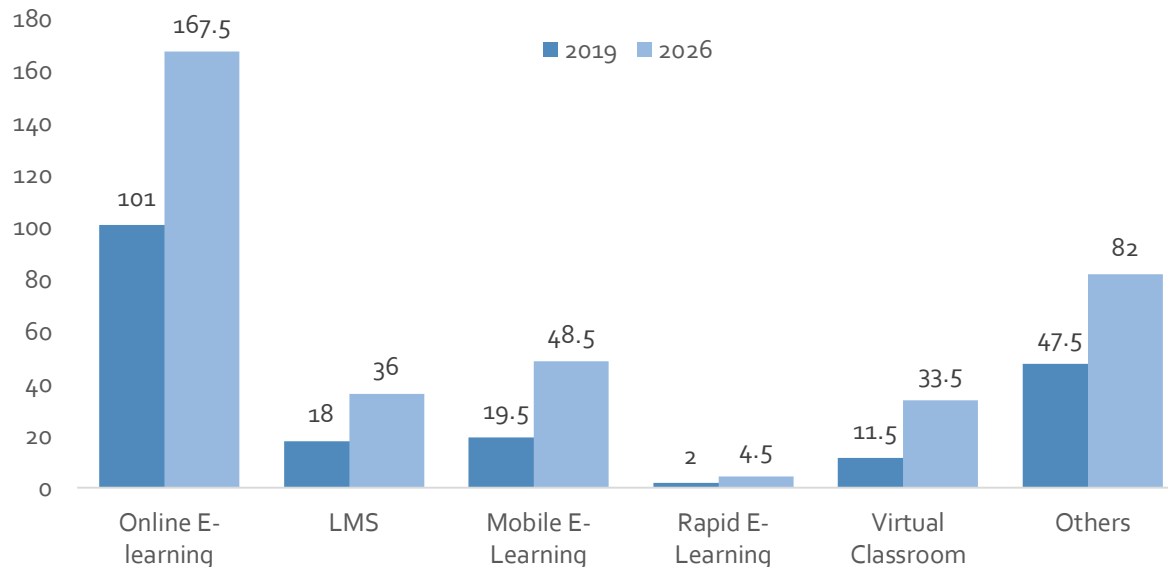
#### Remind.

Using this application, parents and kids can speak with teachers one-on-one

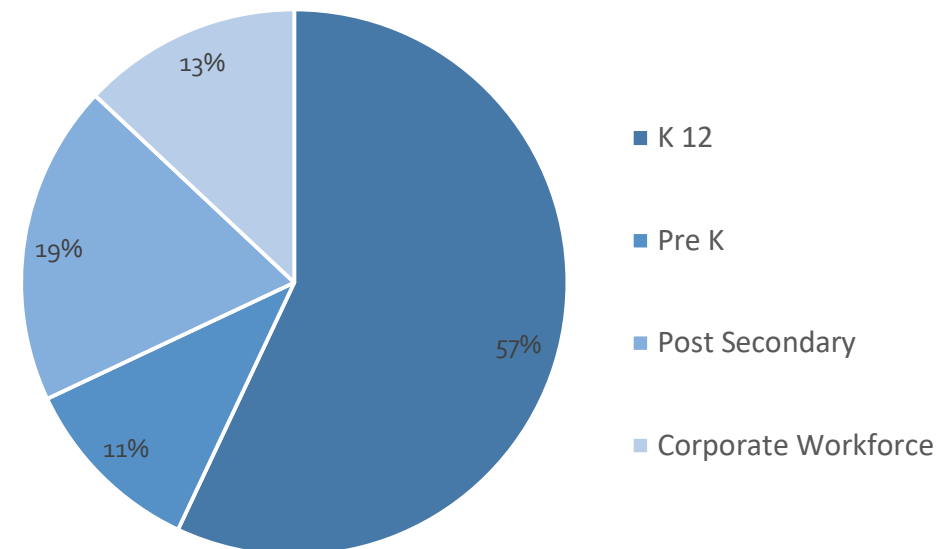
## Industry Market Size

The global ed-tech market size was valued at \$222.4 billion in 2023 and is expected to grow at a CAGR of 14.09% during 2024-2032 reaching \$661.2 billion by 2032

Size of the global e-learning market in 2019 and 2026 by segment (in \$ billions)



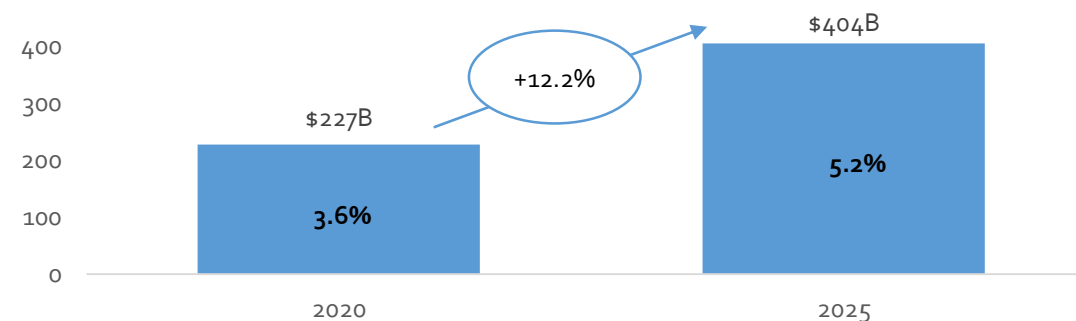
Ed-tech Industry Market Share by end user (2023)



## Industry Statistics

- ▶ In the next 3 years, more than 70% of universities anticipate offering more than one undergraduate online programs; edtech in K-12 school has increased 99% since 2020
- ▶ In 2022, the hardware sector lead market, generating more than 41% of global revenue
- ▶ North America holds the largest revenue share of 36.5% in the global EdTech market
- ▶ As of 2023, cloud-based solutions account for 71.2% of the market driven by scalability
- ▶ Challenge based gamification can increase student outcomes by upto 35%
- ▶ Value proposition of technological tools improving education is upheld by 83% teachers
- ▶ Nearly half of Fortune 500 companies have incorporated e learning into their business

## Digital Spend in the next five years



## Industry Trends

**In 2021, venture capitalists invested \$20.8 billion in the edtech sector globally and 92% of the organizations are planning to elevate their edtech investments by 2025**

## Industry Trends

**Inflows of capital are greater than ever**

- Rapid technological advancement, digitization of businesses, continuous upskilling and low cost of broadband connectivity have helped the edtech sector boom with high investment

**In order to attain efficiency and scale, edtech companies are collaborating and combining**

- Edtech companies are looking to M&A in an effort to achieve economies of scale, as they search for long-term solutions to reduce the industry's challenge with high customer acquisition costs (CAC) and to have lifetime value of customers exceed cost of acquiring

**Large companies consider it essential for employees to reskill and upskill.**

- Large employers have invested in workforce development to fill talent gap and to meet this demand of upskilling & reskilling, edtech companies are expanding their offerings

**India emerges as a front-runner in the global edtech race.**

- Due to the mounting legal challenges facing the Chinese edtech sector, major firms including as Udacity, Coursera & edX, have shifted their attention to investing in the vast Indian market

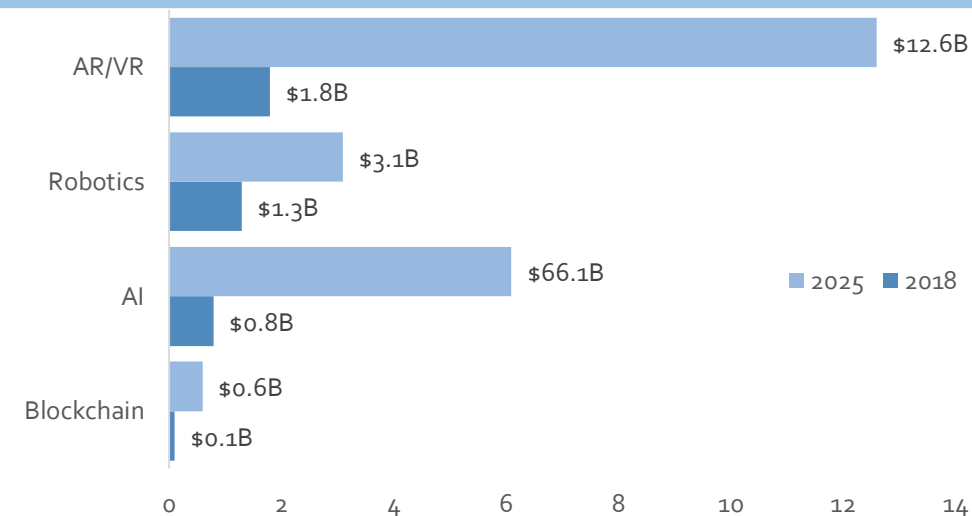
**Leaders in edtech are concentrating on facilitating professional advancement.**

- Learners want value added services like personalized mentoring, interview preparations & job support; to provide this holistic experiences firms are expanding their internal resources

**Prioritizing impact measurement**

- Setting impact and results as the top priorities is crucial in the Edtech industry. It is necessary for establishing long-lasting companies and promoting efficient education; it is difficult to determine what is effective for end users in the absence of solid outcomes data

## Growth in Advanced Technology Expenditure in Global Education



## Future Trends in the Industry

**Augmented Reality/Virtual Reality**

AR/VR has set industry standards that provides immersive learning opportunities that let students explore ideas in a dynamic, fun way

**Micro Learning and Nano Learning**

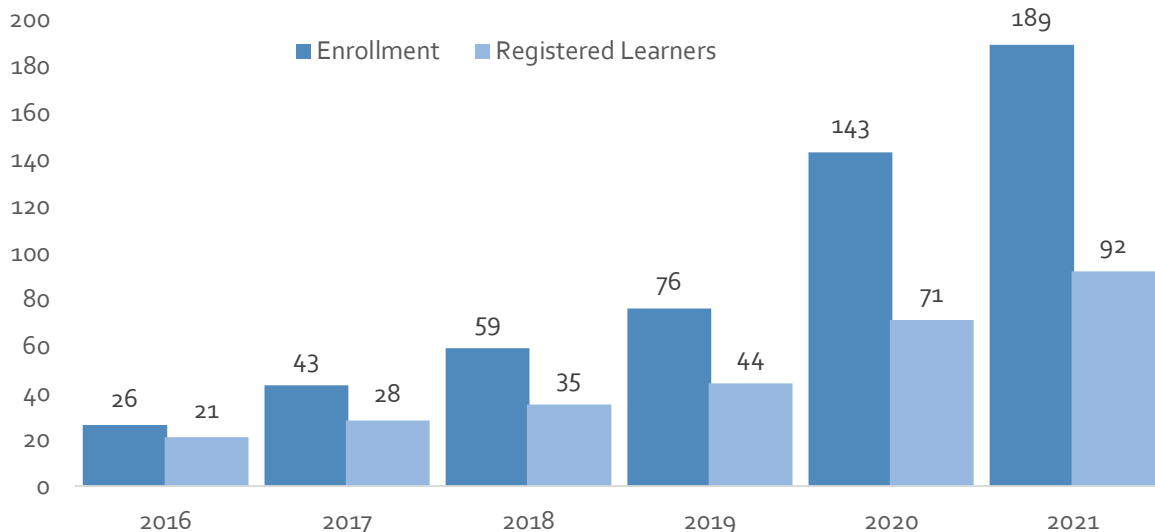
Quick learning experiences are offered via micro-learning & nano-learning. ideal for pupils that lead hectic lives and don't have much time

**Gamification**

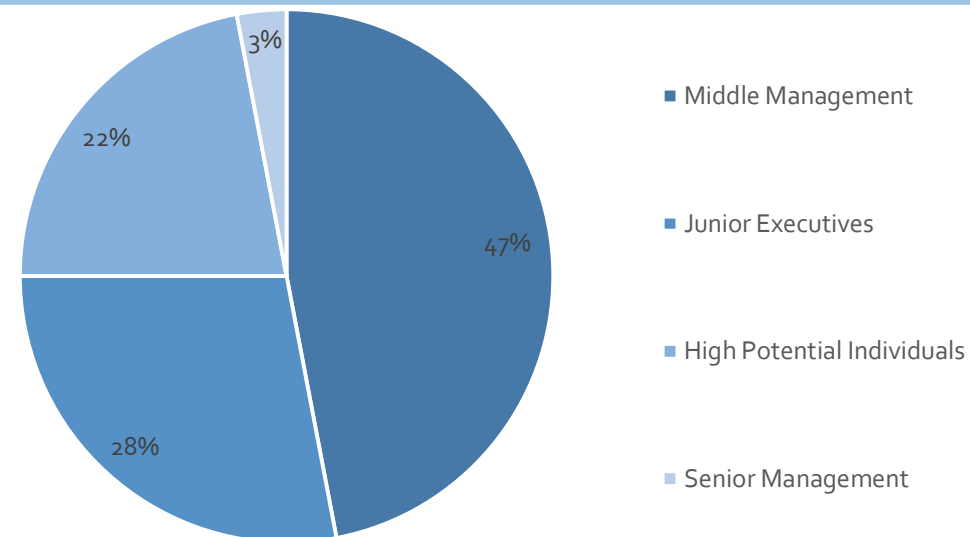
By incorporating components like leaderboards, points, and badges, gamification adds interest and enjoyment to the learning process

# Digital learning resources are used by 64% of middle school pupils in the United States daily and 42% of businesses reported higher revenue following the implementation of e-learning

Upward Trend in Online Learning: Enrollment & Registered Learners(in \$ millions)



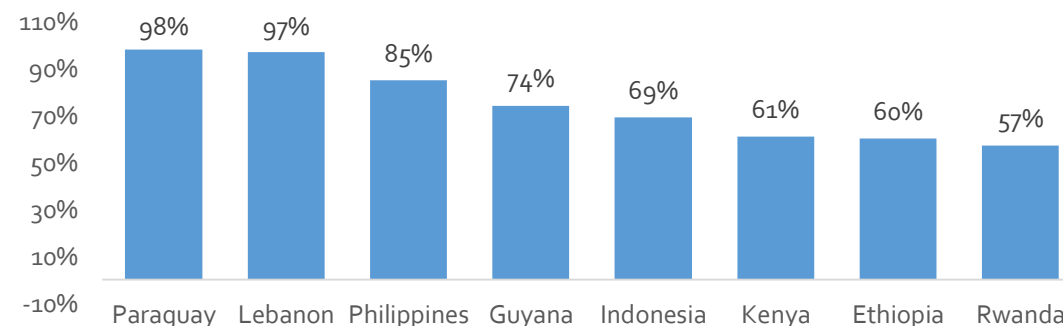
Target Group of Corporate E-Learning



Market Statistics

- ▶ Employees are motivated by e-learning when they can learn at their own pace (95%) & don't have to travel (84%) and 1% of the average workweek is dedicated to training
- ▶ With a staggering 900% growth since 2000, digital learning is the education sector's fastest-growing segment and global LMS expected to have 19% growth by 2026
- ▶ 20% of American online college students do all of their course-related work on their phones or tablets & 61% K-12 students are interested in mobile apps for learning
- ▶ The global MOOC market is expected to increase at a rate of 29% per year between 2020 and 2025; this makes it the education sector with the fastest rate of growth

Countries learner growth



## High degree of innovation & large volume of M&A by the dominant businesses, aiming to increase their market share by expanding product portfolios, are traits of the EdTech market

### Freemium Model

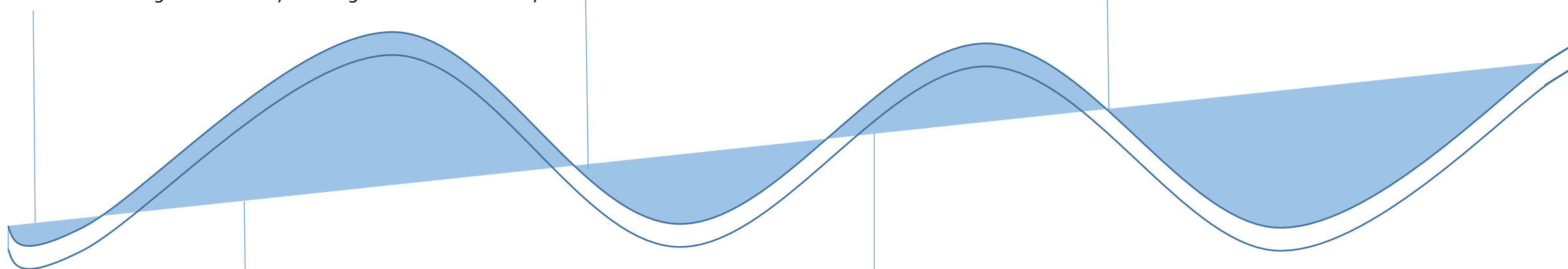
- Within the EdTech industry, this is offering a free, limited-edition version of a software or platform for education, while charging for more features or services
- Attracts large user base by offering a low barrier to entry

### Marketplace Model

- In the EdTech industry, this entails setting up a platform where professionals or educators can offer students or learners educational services or information.
- Provides a low-overhead, scalable business plan

### Partnership Model

- Refers to collaborating with another business to provide educational services or content in the EdTech sector
- Provides entry to fresh markets and customer segments
- Increases brand recognition and credibility



### Subscription Model

- In the Edtech market, this means charging users a subscription fee to access educational content or services
- Easier to scale and grow business than other models
- Provides predictable revenue and long term relationships

### Pay Per Use Model Model

- This entails charging customers for every course, lesson, or tutoring session in the EdTech sector.
- Offers customers options in case they don't want to pay for features they don't use or commit to a subscription
- As usage and revenue are directly correlated, usage may be a better indicator of the value given to clients

## Opportunities & Challenges

The demand for Ed-tech is driven by growing emphasis on professional growth & lifelong learning, with the need for flexible & accessible options that meet the needs of individuals

### Opportunities

#### Personalized Learning Platforms

Personalized learning platforms driven by AI may evaluate each learner's learning preferences & needs to tailored their specific abilities

#### AI Powered Tutoring Platform

Combination of learning resources & cheap, easily accessible personalized feedback might be created by combining the chatbot with normal digital educational content

#### Skill Based Learning Apps

The constantly shifting nature of job landscape demands skill development, which paved the way for skill based learning with thousands of potential niches

#### Collaborative Learning Platforms

Collaborative platform combines industrial expertise & knowledge leading collaborative working apps that have potential can succeed & add significant value in edtech sector

### Challenges

#### Highly Competitive Market

The fiercer competition will make it much harder to succeed or force initiatives to compete fiercely for funding and unique value proposition will stand out

#### Resistant to change

The education industry has been slow to adopt cutting-edge services and technologies and also have a negative attitude toward new technology

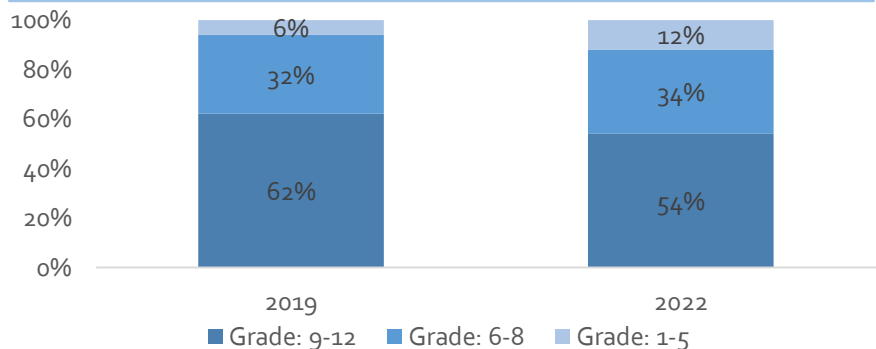
#### Analytics and AI

Insufficient resources to perform thorough analyses & creating intelligent instruction assistance to deliver tailored tutoring are considered as barrier

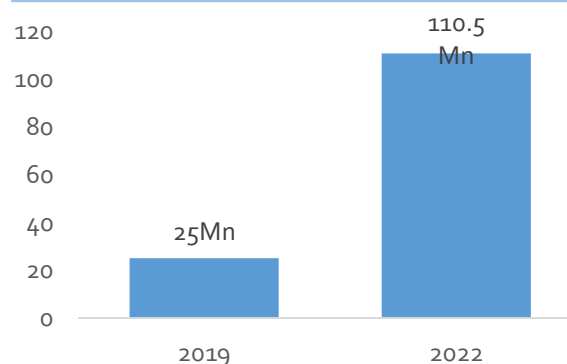
#### Cost Crunching

The hardest things for educators and facilitators of blended or online learning is finding the money to support the necessary infrastructure.as it costs high

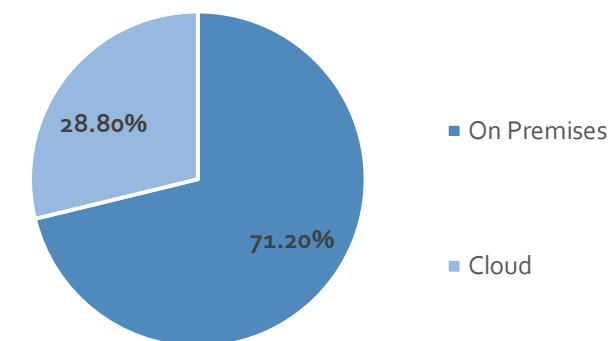
### Edtech Market Growth: Grade 1-12(in \$Mn)



### Edtech User Growth Rate: Grade1-12



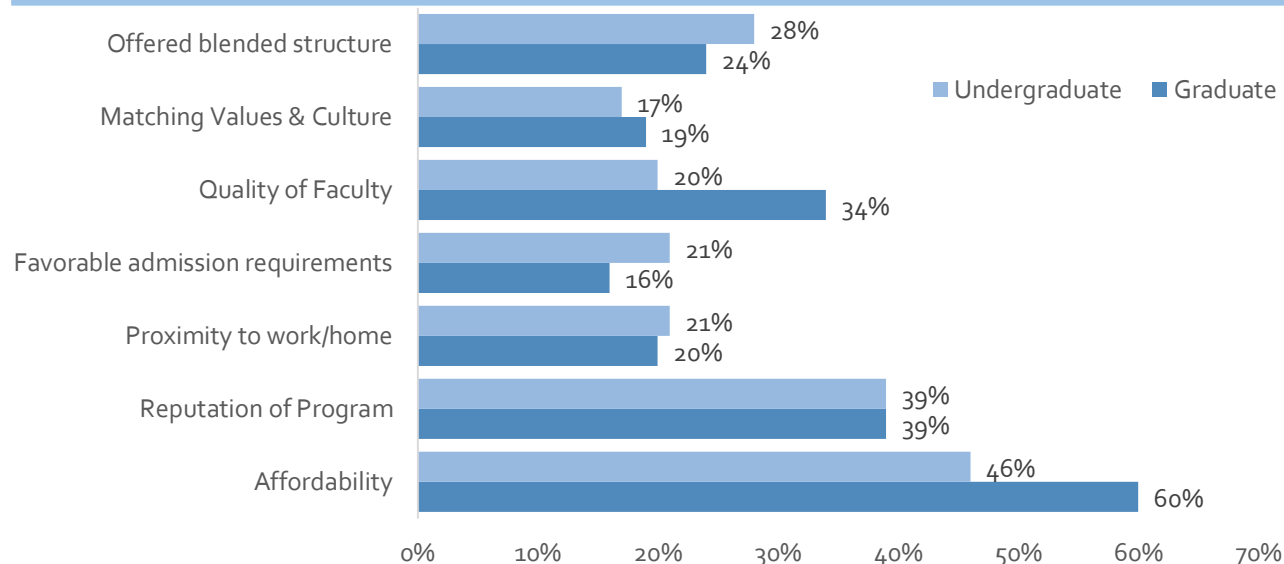
### Ed Market by deployment mode



## Consumer Analysis

# According to 40% of college students, e-learning is superior to in-person instruction since the modules are easy to understand with benefits of structured and personalized instructions

### Factors considered by learners while choosing an online course



### Three tenets of online program

#### The basics still matter

For students, elements that have always shaped the learning process—like relevant staff, current content, and course structure are crucial for a well organized online course with a clear path

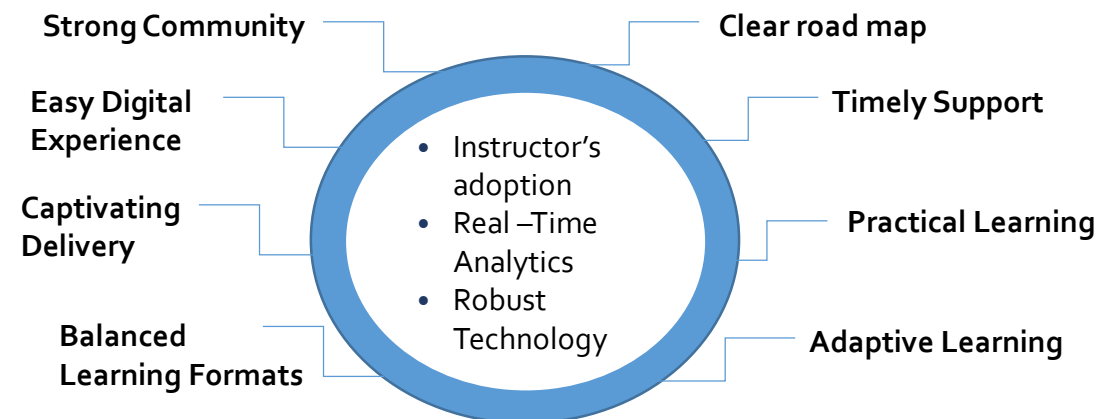
#### Expensive features are not necessarily valued

The majority of students do not place a high value on online features that are costly to deploy, such as VR, simulations & complex visual content but investment in them is growing

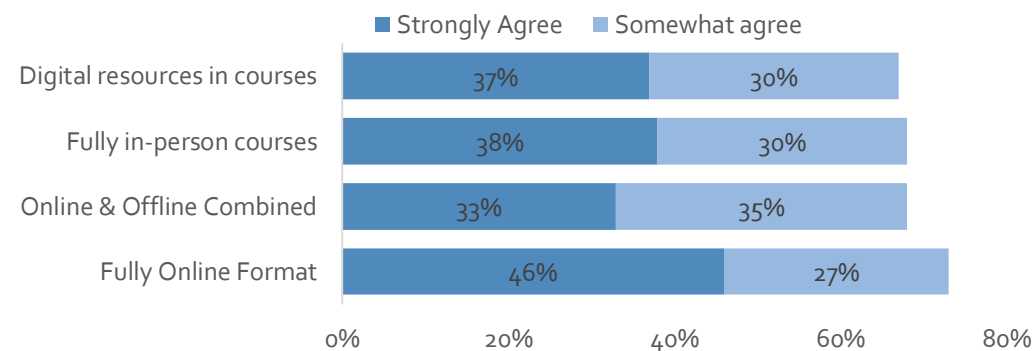
#### Student age & program type do not notably impact the perception of online learning quality

There was little difference in the top values that students placed on online learning across age groups, academic fields, and educational levels although small variations exist

### 8 Key dimensions that shape the online learning experience



### Preferences for Post Pandemic Academic Experiences

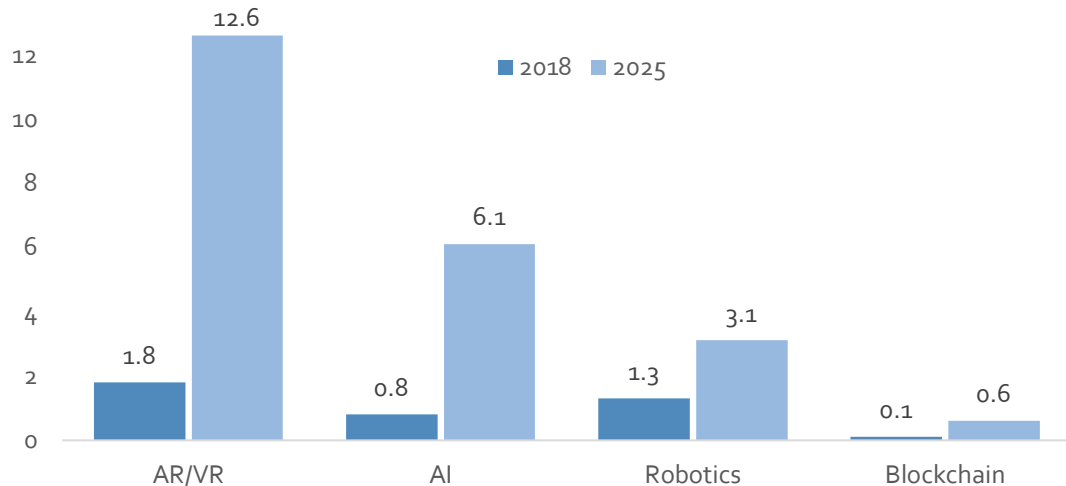




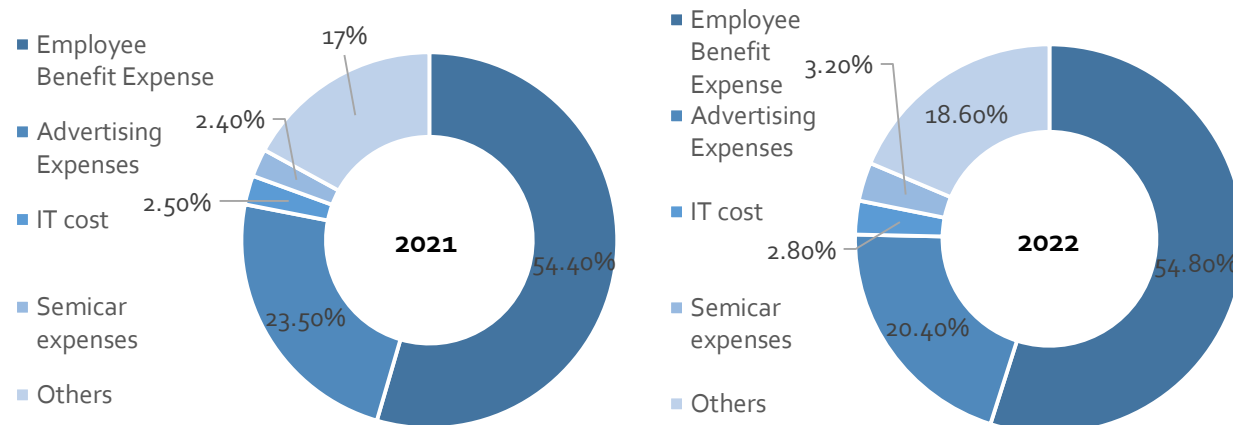
## Cost Analysis

**K12 Education Technology Spend market is a vibrant & rapidly expanding sector , in 2022 global market for K–12 education technology spending was estimated to be worth \$8 billion**

### Forecasted Expenditure on education technology worldwide(in billions)



### Expense Breakdown : Vedantu



### Factors affecting Customer Acquisition Cost(CAC)

#### ► Market Channels

The expenses associated with paid advertising, content marketing, social media marketing, and other channels vary, and have an impact on the total cost (CAC)

#### ► Target Audience

Some target audience segments may be less expensive to sell due to limited competition or being a niche market, while others may be more expensive due

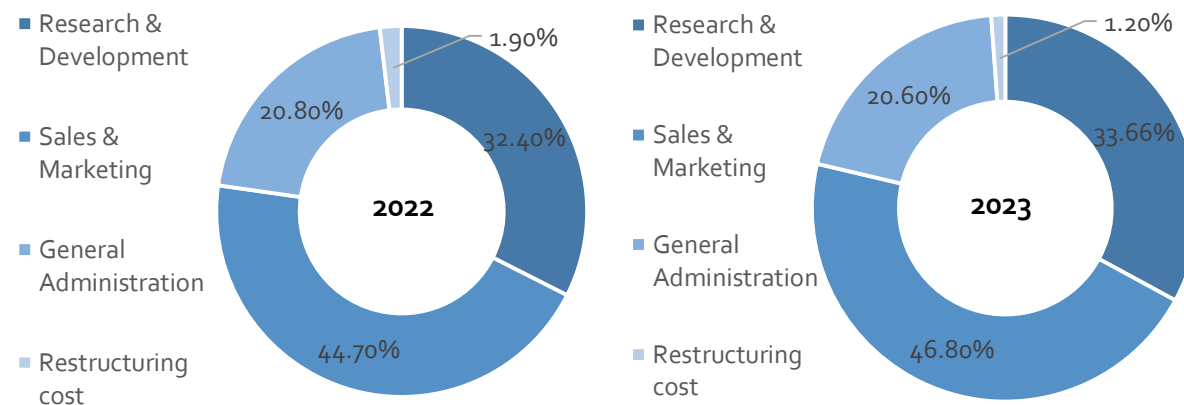
#### ► Competition






Increased competition may cause companies to compete for the same clientele, which could contribute to rising advertising costs that adds upto overall CAC

#### ► Geographic Location

Regions targeted for marketing vary location wise which can add upto CAC

### Expenditure breakdown: Coursera



Company	Services	Revenue	Registered Learners	Educators/ Instructors
	<ul style="list-style-type: none"> <li>• Courseara.org for Individuals</li> <li>• Coursera for enterprise</li> <li>• Coursera for Business</li> <li>• Coursera for campus</li> <li>• Coursera for government</li> </ul>	\$635.7 Mn	140 Mn+	325+
	<ul style="list-style-type: none"> <li>• K-12 Courses(online/offline class)</li> <li>• Topic Specific Courses</li> <li>• Courses by Target(JEE, NEET, EXAMCET)</li> <li>• One to One Live Classes</li> </ul>	\$20.2 Mn(2022)	2.2 Mn+	580+
	<ul style="list-style-type: none"> <li>• Udemy for Enterprise/ Business               <ul style="list-style-type: none"> <li>• Team Plan</li> <li>• Leadership Plan</li> <li>• Udemy Business Pro</li> </ul> </li> <li>• Udemy for Consumers</li> </ul>	728.9 Mn	85 Mn+	75000+
	<ul style="list-style-type: none"> <li>• Competitive Exam Preparation</li> <li>• Live Classes and Study Material</li> <li>• Skill Building Courses</li> <li>• Offline Centers</li> </ul>	108.7 Mn	50 Mn+	14000+
	<ul style="list-style-type: none"> <li>• Skill development courses</li> <li>• Degree Specializations</li> <li>• Upgrad Rekrut</li> <li>• Upgrad Campus</li> <li>• Upgrad Jeet</li> </ul>	\$143.1 Mn	2 Mn+	5000+

# With students from 200+ countries, Coursera offers global ecosystem of learners, educators & institutions the opportunity to study from more than 325 universities & industry experts

- ▶ Coursera provides learners with access to educational information through employer-sponsored programs, government-sponsored initiatives & on-the-go or at home options
- ▶ Teachers can create, deliver, and expand content and credentials from single courses to professional certificates to university degrees—with efficiency thanks to our data-driven technology platform; coursera established a global consumer brand and has 142 Mn individual learners at a minimal expense due to content from top-branded partners
- ▶ Top-tier educator partners are drawn to broad & global student bases because it enables them to reach new audiences & generate revenue streams with upfront investments

### Key Highlights

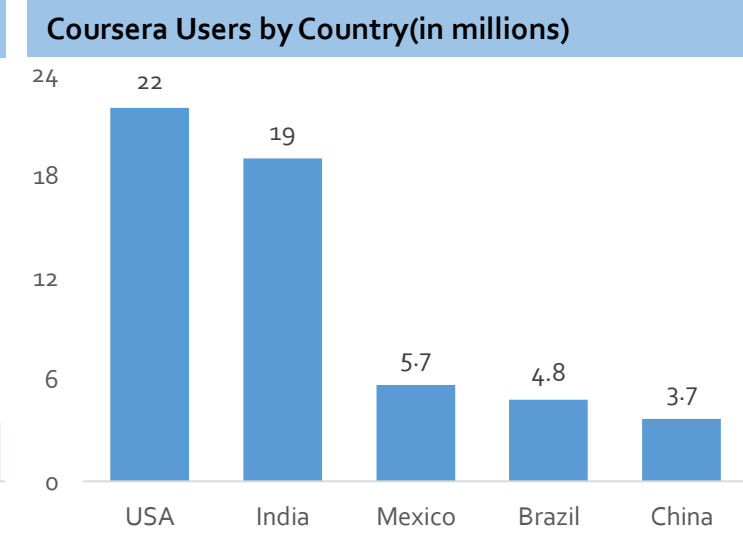
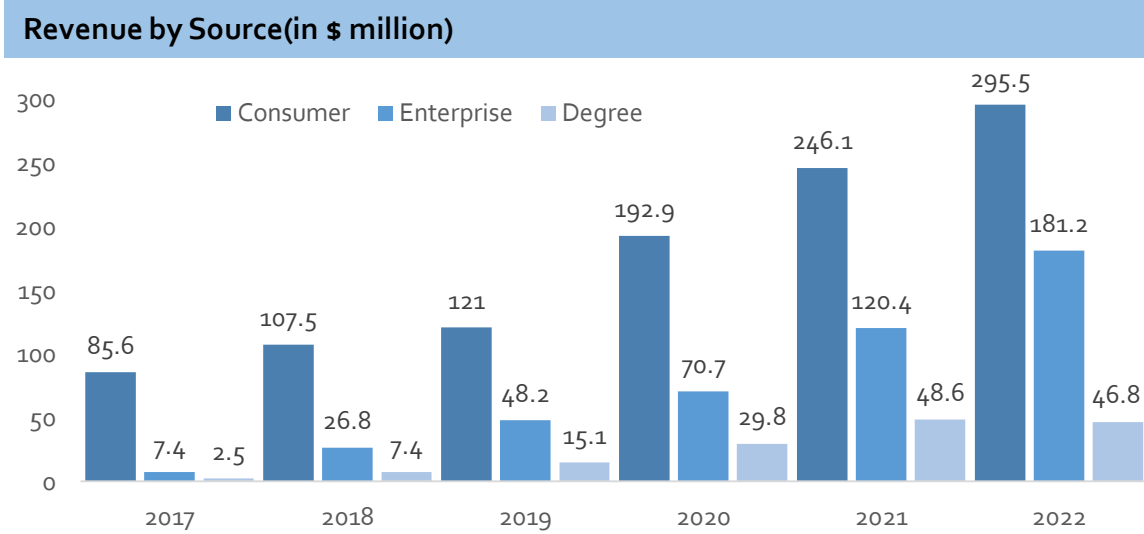
**Founded**  
2012

**Headquarters**  
California, USA

**Employees**  
1400+

**Revenue**  
635.7 Mn

**Website**  
[LINK](#)



### Key Elements of Growth Strategy

**Expansion of educator partners network and growth of content & Credentials**  
Rigorous investment in expanding database of projects, classes, specializations, credentials, and degrees covering a wide spectrum of subjects

**Boost customer learner retention, upselling, and conversion rates**  
Consumers visit Coursera with ease on the consumer platform to learn; individual learners accounted for more than 65% of cash earnings from consumer in 2023

**Persistent Global Expansion**  
Plan to promote products to students worldwide creates a worldwide brand

### Catalogue Statistics

**875+**  
Specializations

**125+**  
Certificates

**3500+**  
Guided Projects

**7000+**  
Courses

**1300+**  
Enterprise Customers

# Udemy's online platform with approx. 60% of learners located outside U.S enables businesses & individuals to acquire, develop & validate skills in a flexible & efficient manner

- ▶ Udemy's marketplace offers access to a vast array of pertinent and high-quality content in regional languages, catering to the changing needs of learners worldwide
- ▶ Owing of the flywheel effect, which drives additional learners & Udemy Business users to the platform, instructors are incentivized to produce high-quality content for Udemy
- ▶ Udemy operates in two business segments: direct-to-consumer marketplace, or Consumer (42% of 2023 revenue), Enterprise, or Udemy Business (58% of 2023 revenue)
- ▶ After enrolling, individuals can choose to pay for or receive lifelong access to any of the more than 220,000 courses available on the Udemy marketplace

**Key Highlights**

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**Founded**  
2010

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**Headquarters**  
California, USA

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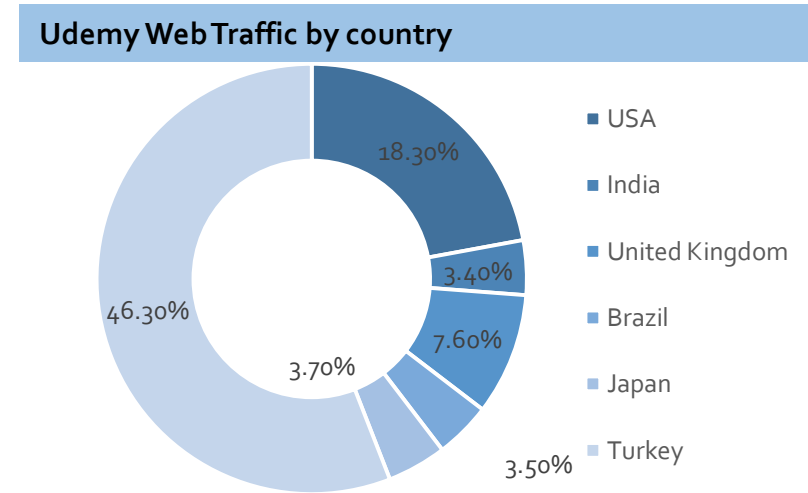
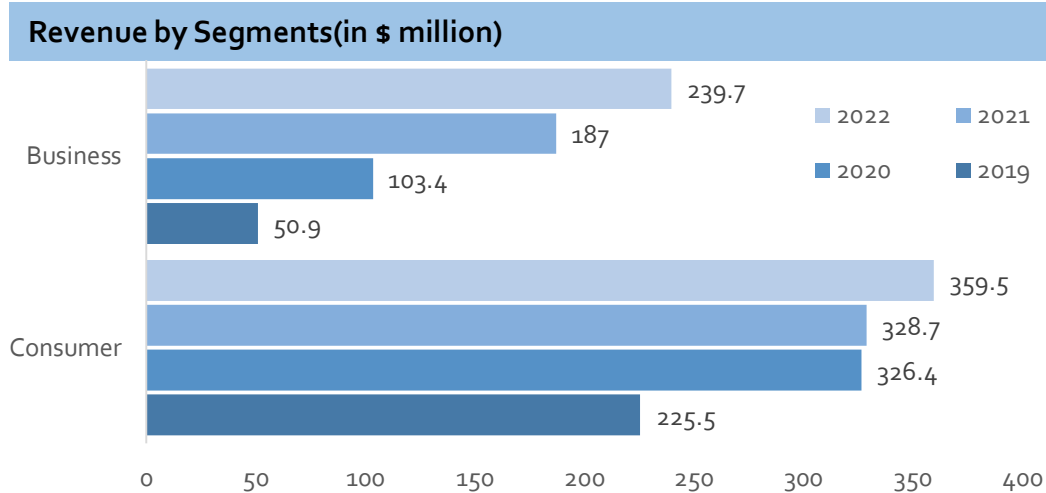
**Employees**  
6000+

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**Revenue**  
728.9Mn

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**Website**  
[LINK](#)



### Growth Strategies

**Penetration of Udemy Business by using a "land and expand" strategy.** Approach is centered on bringing in new clients and strengthening bonds with current ones with effective account based marketing operations

**Continue localizing and expanding internationally**  
Investment in local payment methods, currency and local marketing drives higher traffic ,enrollments as well as leads for go to market sales teams

**Expansion of educational opportunities to new contexts & active learning**  
Strong learning opportunities include quizzes, coding challenges, and practice exams and further expansion to include labs & cohort-based learning

### Revenue by Segments

**75K+**  
Instructors

**15.7K+**  
Enterprise  
Customers

**940Mn**  
Course Enrollments

**75**  
Languages

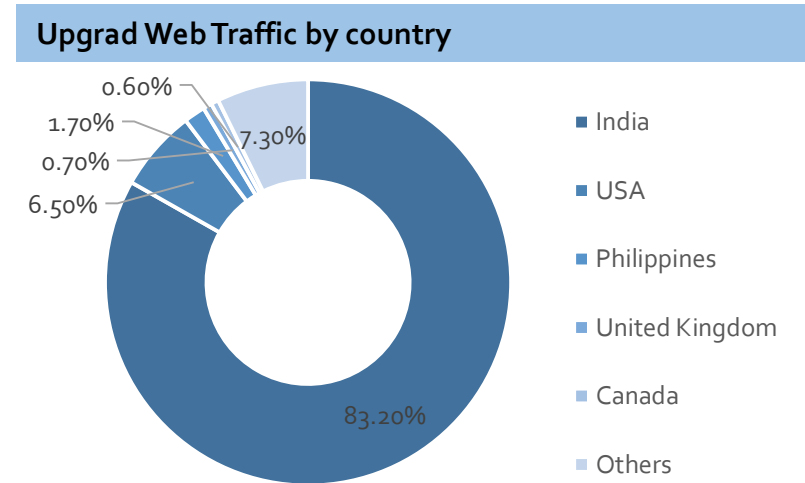
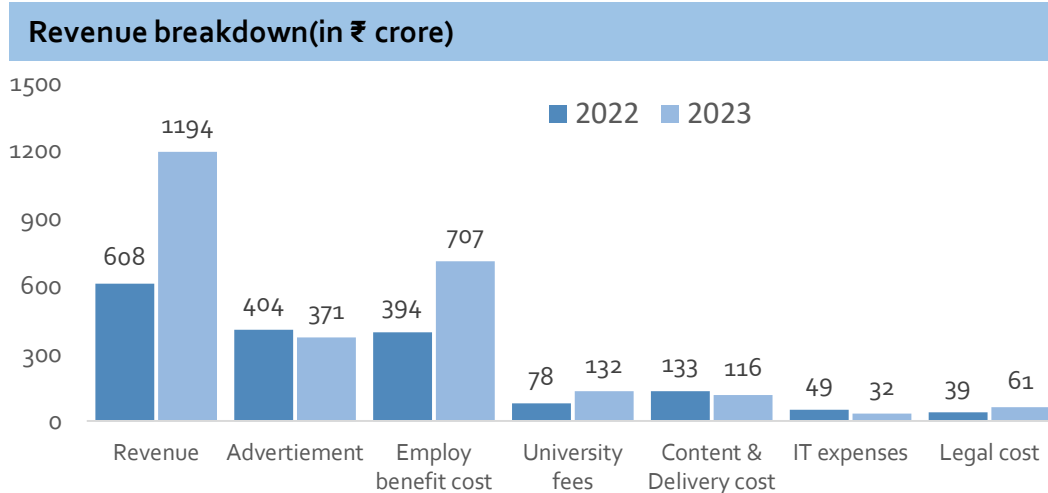
**180**  
Countries

# With 200+ direct global university partners, Upgrad provides flexible learning experience through video lectures, assignments & personalized mentorship for learners to upskill

- ▶ Upgrad is an online learning platform that collaborates with academic institutions and business leaders to provide a variety of courses and postsecondary education programs.
- ▶ The edtech platform strives to close the gap between conventional education and industry demands, giving students the tools with quality education that they need to grow in their jobs and maintain their competitiveness in the quickly evolving labor market ; it has crossed a milestone of acquiring 1 million learners in just five years of its operations
- ▶ 'Upgrad basecamp' is another idea of Upgrad team , this approach gives learners the opportunity to network and participate in peer-to-peer learning in offline meetups

### Key Highlights

- Founded** 2015
- Headquarters** Mumbai, India
- Employees** 3500+
- Revenue** 143.1Mn
- Website LINK**



### Growth Strategies

**Niche Audience, greenfield segment**  
The company operates in reskilling and upskilling and its niche target who are outside K-12 range while this segment saw slow growth after pandemic but professional & upskilling didn't as reskilling became a common notion

**Comprehensive range**  
The company targets people in the 18-40 age group with a range from degree, professional , reskilling programs with placement assistance

**Acquiring and Consolidating**  
The startup acquired 13 companies under verticals like reskilling and upskilling programmes , test prep courses etc. that has increased offerings

### Revenue by Segments

- 500+ Courses
- 50+ Specializations
- 2700+ Hiring Partners
- 70+ Countries
- 10 Mn+ Trusted Learners

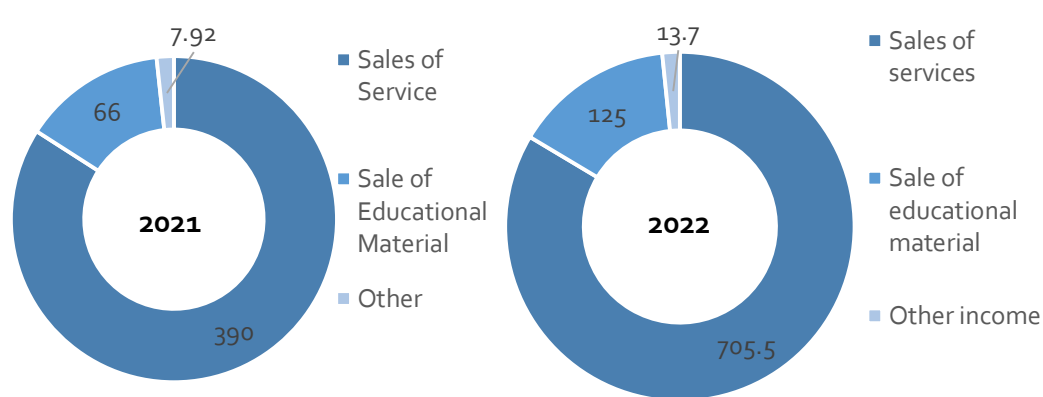
# Unacademy enables students to study for examinations, upskill and discover new interests with more than 7 lakh active subscribers and makes education accessible to a wide audience

- ▶ Unacademy provides a wealth of instructional materials, such as recorded lectures, interactive tests and live sessions for competitive exam preparation courses like UPSC CSE, GATE, NEET UG, and IIT JEE; educators at Unacademy, who are frequently subject matter experts, lead live classes and provide each student individualized attention.
- ▶ Unacademy is the largest distributor of educational content thanks to its many platforms, including Unacademy Plus, and other properties like Chamomile Tea with Toppers, Wifistudy, The Solutionists, Unacademy JEE, and Unacademy Studios, which collectively receive close to 110 million views each month with quite high device compatibility

### Key Highlights

- Founded** 2015
- Headquarters** Bengaluru, India
- Employees** 3000+
- Revenue (2023)** 108.7Mn
- Website** [LINK](#)

**Income breakdown(in ₹ crore)**



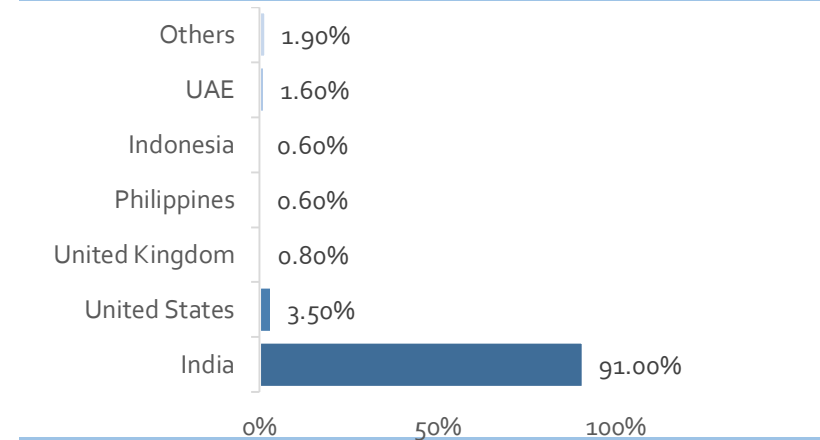
**Growth Strategies**

**Diverse Course Offerings**  
The platform serves a varied student base throughout India by providing courses in numerous languages and for a range of competitive exams

**Acquisitions and Partnerships**  
Unacademy has acquired 12 startups to strengthen its position and broaden its offerings like PrepLadder strengthened its medical entrance segment

**Freemium Model**  
Unacademy uses a freemium business strategy, charging for extra services or courses while providing basic information for free which lowers barrier entry

**Unacademy Web Traffic by country**



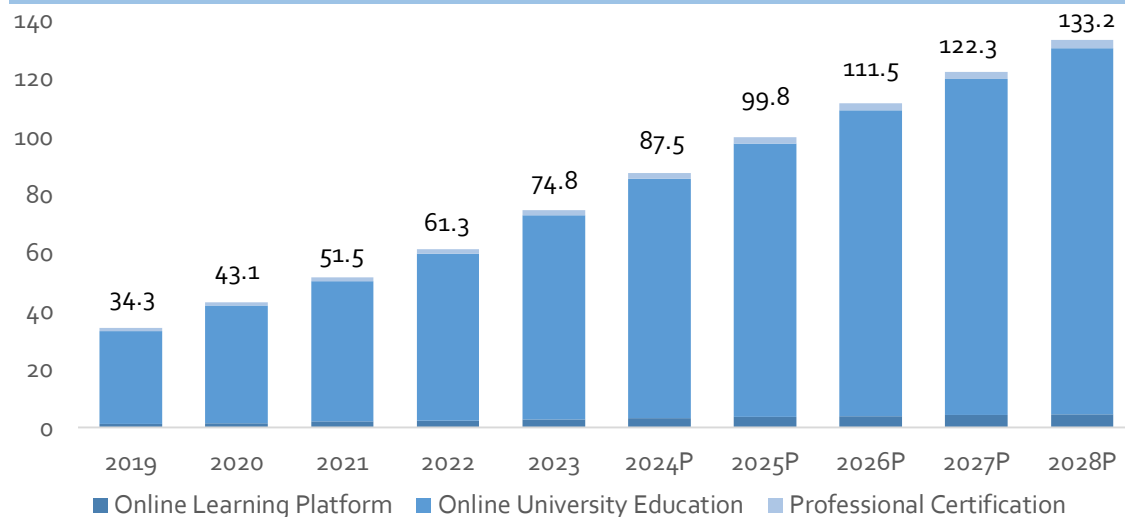
**Revenue by Segments**

<b>50 Mn</b> <b>Active Learners</b>	<b>1000+</b> <b>Top Educators</b>
<b>800K+</b> <b>Active Subscribers</b>	<b>2000+</b> <b>Daily Live Classes</b>

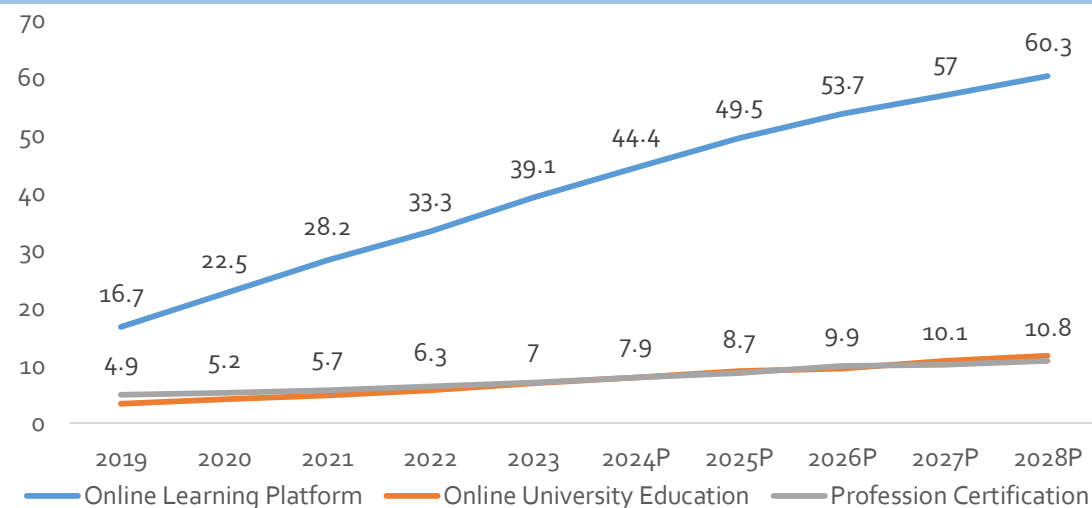
## Regional Insights- USA

The U.S edtech market had a total revenue of \$61.3 billion in 2022 and is anticipated to grow at a CAGR of 13.8% between 2022-2028 reaching at a revenue of \$133.2 billion by 2028

### Revenue of the edtech market (in billion USD)



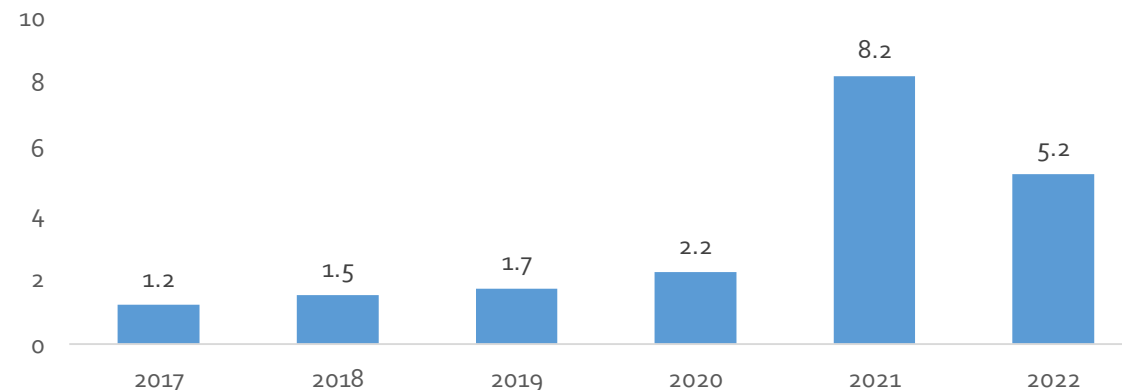
### Edtech Users (in millions)



### Edtech Market Highlights

- ▶ The US leads the world in venture capital funding for edtech startups with \$8.3 million, more than \$5.9 million more than second place China
- ▶ With more than \$400 million in funding, online learning startup 2U topped the list of edtech companies in the United States. It came in fourth place worldwide
- ▶ With 155, New York City was shown to have the world's largest density of edtech businesses, respectively, San Francisco and Chicago are rated 2<sup>nd</sup> & 3<sup>rd</sup>
- ▶ One of the major suppliers, Duolingo, introduced a new subscription package in March 2023 that included access to a GPT-4-powered AI instructor and two additional AI-powered features dubbed "Roleplay" and "Explain My Answer"
- ▶ 1,385 edtech businesses in the United States, which makes up 43% globally

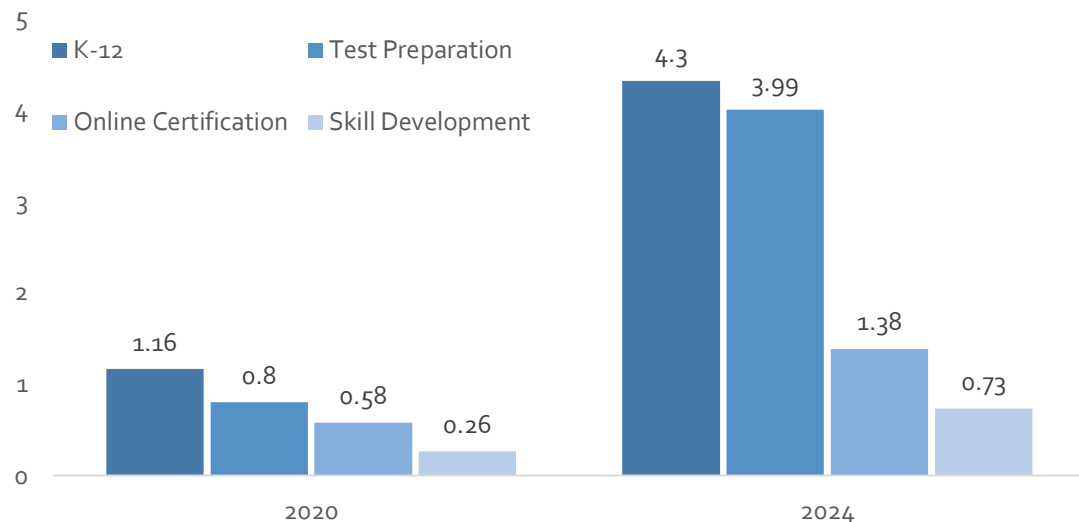
### U.S Edtech Investment Total (in billion USD)



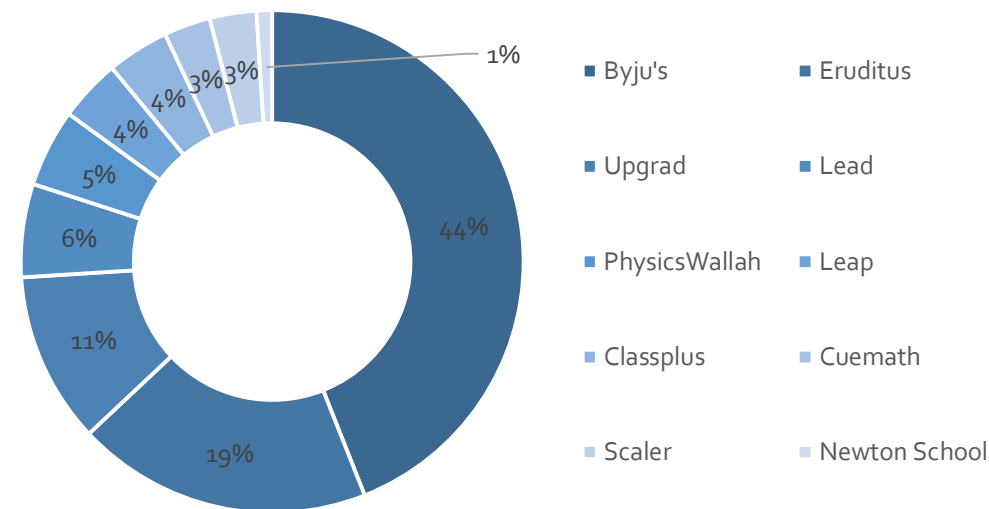
## Regional Insights- India

The market value of Ed-tech industry was estimated at \$2.8 billion in 2020 and is expected to grow at a CAGR of 30.01% between 2020-2025 ,reaching a value of \$10.4 billion by 2025

Market size by segment(in US \$ Billion)



Top 10 ED-tech funding, 2022(Total: \$ 1842 million)



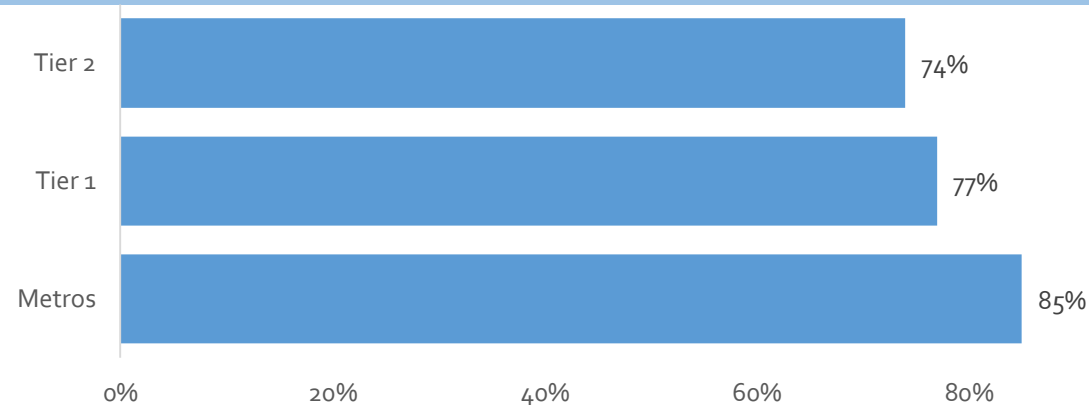
## Highlights of Indian Ed-Tech Industry

**Online exam preparation is one of the most well-known and rapidly expanding subsets of Indian IT:** The ed-tech startups are providing coaching for competitive examinations at affordable costs and are more technology driven

**The need for skill enhancements has grown in tandem with the advancement of contemporary technology:** The ever growing need for skill upgradation and the ed-tech start-ups are offering short term courses ranging from 3 months to 1 year

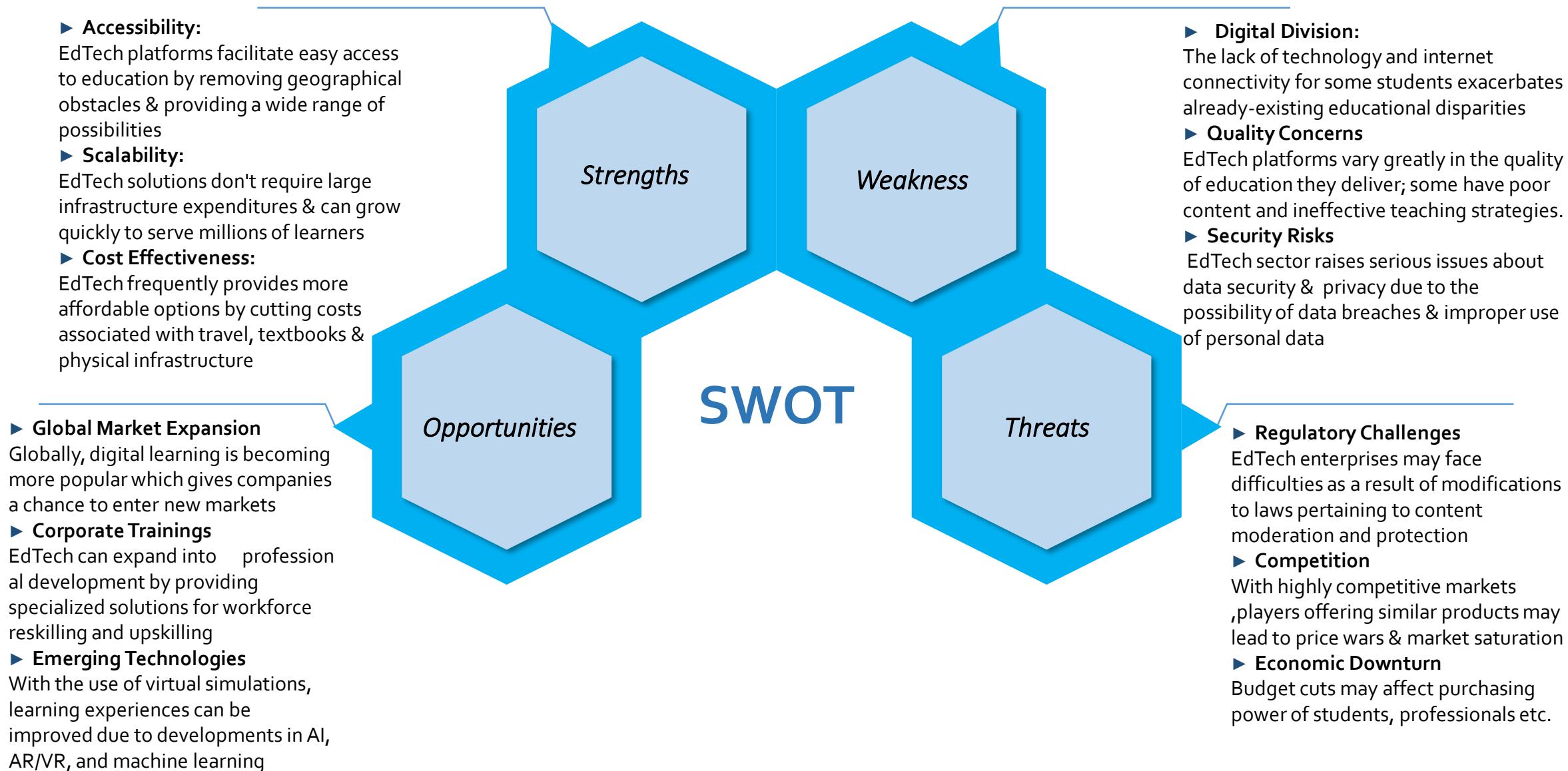
**Attainability, affordability, and flexibility are the factors driving growing interest in the possibilities of online higher education:** To get flexibility and convenience working professionals and students have adopted modes of distance or online learning for higher education at low cost are making it popular

Share of Ed-Tech consumers in India as of January 2023, by type





## SWOT Analysis



The highest number of Ed-Tech users are between the age group 25-34 and the industry has a huge impact on the global financial system and employment by creating job opportunities



The threat of new entrants is Moderate because :

- ▶ New players easily enter the market due to friendly regulations
- ▶ Weak brand loyalty makes customer switch brands
- ▶ No risk of retaliation from market players
- ▶ High capital Investment



The bargaining power of suppliers is High because

- ▶ High switching cost for organizations
- ▶ Strong positions of suppliers due to high demand product
- ▶ Lack of proper market awareness and price sensitivity among buyers strengthen the position of buyers



The competitive rivalry is high in this industry because

- ▶ Availability of large number of firms in the industry
- ▶ Rapidly growing industry
- ▶ Strategically diverse market players targeting similar markets
- ▶ Aggressive pricing strategies



The bargaining power of buyers is high in this industry

- ▶ Low switching cost for the customers
- ▶ Consumers in the industry have changing preferences
- ▶ Abundant information available online to customers



The threat of substitutes is high in this industry because

- ▶ Availability of substitutes in terms of price ,offerings etc.
- ▶ Low cost of switching to other substitutes
- ▶ Innovative and blended learning models

